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Company Registration No. 09170961 (England and Wales)

SQUARE GLOBAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

THURSDAY



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COMPANIES HOUSE

SQUARE GLOBAL LIMITED

COMPANY INFORMATION

Directors	H.J. Uzan A. Boubil D.P. Even Y. A. Sarfati
Company number	09170961
Registered office	843 Finchley Road London NW11 8NA
Auditor	Glazers 843 Finchley Road London NW11 8NA
Business address	First Floor, Empire House 175 Piccadilly London W1J 9EN

SQUARE GLOBAL LIMITED

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SQUARE GLOBAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present the strategic report for the year ended 30 September 2019.

Fair review of the business

The company is authorised and regulated in the United Kingdom by the Financial Conduct Authority.

The directors are satisfied with the results for the year.

Principal risks and uncertainties

Currency risk

Foreign exchange risk arises from cash flows relating to commercial transactions and recognised assets and liabilities. Transaction exposure occurs when the Company receives or pays cash in a currency different from GB pounds, the functional currency of the entity.

Credit risk

The Company is exposed to concentrations of credit risk. Trade debtors are concentrated in the financial institutions sector and amounted to £4,209,106 (2018: £4,447,398).

Liquidity risk

As part of the company's obligations under the Capital Requirements Directive, an Internal Capital Adequacy Assessment Process (ICAAP) document is prepared annually. The ICAAP is used by the Board to assess the Company's risks, determine the actions necessary to mitigate those risks and the current and future capital requirements. Following BIPRU 12 Liquidity Standards, the company maintains a Liquidity Policy to manage liquidity risk.

Brexit

The potential impacts of Brexit have been considered by the directors and resulted in the incorporation of our French subsidiary which has been registered with the local equivalent of the Financial Conduct Authority. The company is ready to commence trading and will minimise any adverse impact of Brexit.

Development and performance

In January 2017 we opened a branch office in France which is trading profitably

During the year we incorporated subsidiaries in France and Hong Kong, both have been registered with the local regulators but have remained dormant.

Our client base has grown significantly and we continue exploring avenues for further growth.

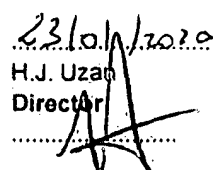
Key performance indicators

Turnover has increased by 27% to £23,731,790 from £18,618,222 in 2018.

Profit before taxation rose to £9,213,840 from £6,320,147.

At the year end the company had net assets of £4,661,159 (2018: £7,167,731).

On behalf of the board

23/01/2020
H.J. Uzan
Director


SQUARE GLOBAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their annual report and financial statements for the year ended 30 September 2019.

Principal activities

The company's principal activity continued to be that of an interdealer brokerage firm.

Branches

The company has a branch office in France.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

H.J. Uzan
A. Boublil
D.P. Even
Y. A. Sarfati

Results and dividends

The results for the year are set out on page 6.

Ordinary interim dividends were paid amounting to £9,876,041. The directors do not recommend payment of a final dividend.

Financial instruments

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Foreign currency risk

The company's principal foreign currency exposures arise from trading with overseas companies and in currencies other than its functional currency. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Future developments

So far, we have been led by our clients and their needs, and this will remain the case. On one hand, we are continuing to expand our coverage in the markets where we are already active, on the other we are exploring several new markets where our clients would benefit from our value-added approach, and where there is a perceived need for our services.

Auditor

The auditor, Glazers, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

SQUARE GLOBAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

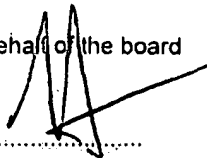
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board


.....
H.J. Uzan
Director

Date: 23/01/2020.....

SQUARE GLOBAL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SQUARE GLOBAL LIMITED

Opinion

We have audited the financial statements of Square Global Limited (the 'company') for the year ended 30 September 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

SQUARE GLOBAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SQUARE GLOBAL LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.


Philippe Herszaft ACA (Senior Statutory Auditor)
for and on behalf of Glazers

Chartered Accountants
Statutory Auditor

23-01-2020

843 Finchley Road
London
NW11 8NA

SQUARE GLOBAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2019

		Year ended 30 September 2019 £	Year ended 30 September 2018 £
	Notes		
Turnover	3	23,731,790	18,628,222
Cost of sales		(4,746,360)	(4,632,132)
Gross profit		18,985,430	13,996,090
Administrative expenses		(9,769,961)	(7,676,654)
Operating profit	4	9,215,469	6,319,436
Interest receivable and similar income	7	-	711
Interest payable and similar expenses	8	(1,629)	-
Profit before taxation		9,213,840	6,320,147
Tax on profit	9	(1,844,371)	(1,239,481)
Profit for the financial year		7,369,469	5,080,666

The profit and loss account has been prepared on the basis that all operations are continuing operations.

SQUARE GLOBAL LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11	199,759		111,712	
Investments	12	146,010		-	
		<u>345,769</u>		<u>111,712</u>	
Current assets					
Debtors	15	6,257,545		5,923,480	
Cash at bank and in hand		1,555,213		3,745,697	
		<u>7,812,758</u>		<u>9,669,177</u>	
Creditors: amounts falling due within one year	16	<u>(3,473,770)</u>		<u>(2,607,511)</u>	
Net current assets		<u>4,338,988</u>		<u>7,061,666</u>	
Total assets less current liabilities		<u>4,684,757</u>		<u>7,173,378</u>	
Provisions for liabilities	17	<u>(23,598)</u>		<u>(5,647)</u>	
Net assets		<u><u>4,661,159</u></u>		<u><u>7,167,731</u></u>	
Capital and reserves					
Called up share capital	20	180,002		180,002	
Profit and loss reserves	21	4,481,157		6,987,729	
Total equity		<u><u>4,661,159</u></u>		<u><u>7,167,731</u></u>	

The financial statements were approved by the board of directors and authorised for issue on ...23/01/2020 and are signed on its behalf by:


H.J. Uzan
Director

Company Registration No. 09170961

SQUARE GLOBAL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 October 2017		180,002	4,513,224	4,693,226
Period ended 30 September 2018:				
Profit and total comprehensive income for the period		-	5,080,666	5,080,666
Dividends	10	-	(2,606,161)	(2,606,161)
Balance at 30 September 2018		180,002	6,987,729	7,167,731
Period ended 30 September 2019:				
Profit and total comprehensive income for the period		-	7,369,469	7,369,469
Issue of share capital	20	1	-	1
Dividends	10	-	(9,876,041)	(9,876,041)
Reduction of shares	20	(1)	-	(1)
Balance at 30 September 2019		180,002	4,481,157	4,661,159

SQUARE GLOBAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	25	9,319,815		4,516,564	
Interest paid		(1,629)		-	
Income taxes paid		(1,443,875)		(949,794)	
Net cash inflow from operating activities		<u>7,874,311</u>		<u>3,566,770</u>	
Investing activities					
Purchase of tangible fixed assets		(117,104)		-	
Investment in subsidiaries		(146,010)		-	
Interest received		-		711	
Net cash (used in)/generated from investing activities		<u>(263,114)</u>		<u>711</u>	
Financing activities					
Proceeds from issue of shares		1		-	
Redemption of shares		(1)		-	
Dividends paid		(9,876,041)		(2,606,161)	
Net cash used in financing activities		<u>(9,876,041)</u>		<u>(2,606,161)</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(2,264,844)</u>		<u>961,320</u>	
Cash and cash equivalents at beginning of year		3,745,697		2,446,590	
Effect of foreign exchange rates		74,360		337,787	
Cash and cash equivalents at end of year		<u><u>1,555,213</u></u>		<u><u>3,745,697</u></u>	

SQUARE GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

Company information

Square Global Limited is a private company limited by shares incorporated in England and Wales. The registered office is 843 Finchley Road, London, NW11 8NA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Group accounts are not prepared on the basis that the subsidiaries are immaterial both individually and collectively.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents commissions receivable on brokerage services.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	5 years
Fixtures, fittings & equipment	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

SQUARE GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SQUARE GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

SQUARE GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

SQUARE GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

SQUARE GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £	2018 £
Turnover analysed by class of business		
Commissions	23,731,790	18,628,222
	<u> </u>	<u> </u>
	2019 £	2018 £
Other significant revenue		
Interest income	-	711
	<u> </u>	<u> </u>
	2019 £	2018 £
Turnover analysed by geographical market		
United Kingdom	22,133,411	17,772,578
France	1,598,379	855,644
	<u> </u>	<u> </u>
	23,731,790	18,628,222
	<u> </u>	<u> </u>

4 Operating profit

	2019 £	2018 £
Operating profit for the period is stated after charging/(crediting):		
Exchange gains	(74,360)	(337,787)
Depreciation of owned tangible fixed assets	29,058	25,283
Operating lease charges	104,400	-
	<u> </u>	<u> </u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £74,360 (2018 - £337,787).

5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	16,000	21,750
	<u> </u>	<u> </u>
For other services		
Other assurance services	-	3,995
All other non-audit services	21,233	23,143
	<u> </u>	<u> </u>
	21,233	27,138
	<u> </u>	<u> </u>

The non audit services are in respect of regulatory reporting requirements and tax compliance services.

SQUARE GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Directors	4	4
Brokers	26	25
Administrative	4	3
	<u>34</u>	<u>32</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	4,455,043	3,890,632
Social security costs	661,911	553,208
Pension costs	89,884	14,718
	<u>5,206,838</u>	<u>4,458,558</u>

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Other interest income	-	711
	<u>-</u>	<u>711</u>

8 Interest payable and similar expenses

	2019 £	2018 £
Other finance costs:		
Other interest	1,629	-
	<u>1,629</u>	<u>-</u>

9 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	1,816,831	1,221,387
Adjustments in respect of prior periods	9,589	18,094
	<u>1,826,420</u>	<u>1,239,481</u>

SQUARE GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

9 Taxation

(Continued)

	2019 £	2018 £
Deferred tax		
Origination and reversal of timing differences	17,951	-
Total tax charge	1,844,371	1,239,481

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	9,213,840	6,320,147
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	1,750,630	1,200,828
Tax effect of expenses that are not deductible in determining taxable profit	70,799	21,513
Adjustments in respect of prior years	9,589	18,094
Deferred tax movement	17,951	-
Capital allowances in excess of depreciation	(19,271)	(954)
Branch tax not recoverable	14,673	-
Taxation charge for the period	1,844,371	1,239,481

The tax charge includes £14,673 in respect of the French branch profits.

10 Dividends

	2019 £	2018 £
Interim paid	9,876,041	2,606,161

SQUARE GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

11 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 October 2018	43,037	141,309	184,346
Additions	8,480	108,625	117,105
At 30 September 2019	51,517	249,934	301,451
Depreciation and impairment			
At 1 October 2018	25,822	46,812	72,634
Depreciation charged in the year	10,303	18,755	29,058
At 30 September 2019	36,125	65,567	101,692
Carrying amount			
At 30 September 2019	15,392	184,367	199,759
At 30 September 2018	17,215	94,497	111,712

12 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	13	146,010	-

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 October 2018	-
Additions	146,010
At 30 September 2019	146,010
Carrying amount	
At 30 September 2019	146,010
At 30 September 2018	-

The investment of £146,010 represents 100% ownership of Square Global SAS and Square Global HK Limited.

The company also owns 100% of Square Global Holdings (US) Inc. represented by 1 share of \$0.01 and 100% of Square Global HK Limited represented by 99 shares of HK\$1.

SQUARE GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

13 Subsidiaries

Details of the company's subsidiaries at 30 September 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Square Global Holdings (US) Inc.	1209 Ormange Street, Delaware 19801, USA	Investment holding company	Ordinary	100.00	
Square Global Markets US LLC	708 Third Avenue, New York NY 10017, USA	Dormant	Ordinary		100.00
Square Global SAS	11 Avenue Declasse, 75008 Paris, France	Dormant	Ordinary	100.00	
Square Global HK Limited	7/F The L Plaza, 376-375 Queens Road Central, Hong Kong	Dormant	Ordinary	100.00	

SQUARE GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

14 Financial Instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	6,138,927	5,782,253
Carrying amount of financial liabilities		
Measured at amortised cost	2,207,018	1,692,785

15 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	4,209,107	4,447,398
Corporation tax recoverable	31,419	54,559
Amounts owed by group undertakings	1,143,185	1,079,981
Other debtors	656,135	254,874
Prepayments and accrued income	87,199	86,668
	6,127,045	5,923,480

	2019 £	2018 £
Amounts falling due after more than one year:		
Other debtors	130,500	-
Total debtors	6,257,545	5,923,480

A rent deposit paid in respect of the London office is recoverable after more than one year.

16 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	104,845	43,941
Corporation tax	1,160,706	801,301
Other taxation and social security	106,046	113,425
Other creditors	253,019	68,285
Accruals and deferred income	1,849,154	1,580,559
	3,473,770	2,607,511

SQUARE GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

17 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	18	23,598	5,647

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	23,598	5,647
Movements in the year:		2019 £
Liability at 1 October 2018		5,647
Charge to profit or loss		17,951
Liability at 30 September 2019		23,598

19 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	89,884	14,718

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end £4,959 (2018: £2,404) was payable to the pension provider.

SQUARE GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

20 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
18,000,000 Ordinary shares of 1p each	180,000	180,000
2 Ordinary 'C', 'H' and 'P' shares (2017: 'C' & 'H') of £1 each	2	2
	<u>180,002</u>	<u>180,002</u>

Each ordinary £0.01 share carries one vote and has equal rights to dividends.

Each ordinary £1 share is entitled to a fixed dividend plus a share of desk profit. They carry no voting rights.

During the year the company bought back the 'B' share at par value and cancelled it. In addition one ordinary £1 'P' share was issued at par.

21 Profit and loss reserves

	2019 £	2018 £
At the beginning of the year	6,987,729	4,513,224
Profit for the year	7,369,469	5,080,666
Dividends declared and paid in the year	(9,876,041)	(2,606,161)
At the end of the year	<u>4,481,157</u>	<u>6,987,729</u>

22 Operating lease commitments

Lessee

The commitment relates to the company's London office.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	174,000	-
Between two and five years	304,500	-
	<u>478,500</u>	<u>-</u>

SQUARE GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

23 Related party transactions

At the year end £1,143,185 (2018: £1,079,981) was owed by the subsidiary company Square Global Holdings Inc. This amount is interest free and repayable upon demand.

24 Ultimate controlling party

In the opinion of the directors there is no ultimate controlling party in the period under review.

25 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	7,369,469	5,080,666
Adjustments for:		
Taxation charged	1,844,371	1,239,481
Finance costs	1,629	-
Investment income	-	(711)
Depreciation and impairment of tangible fixed assets	29,058	25,283
Foreign exchange gains on cash equivalents	(74,360)	(337,787)
Movements in working capital:		
Increase in debtors	(357,206)	(2,102,764)
Increase in creditors	506,854	612,396
Cash generated from operations	9,319,815	4,516,564